

AQO

MEMORANDUM FOR RECORD

SUBJECT: AQO Staff Meeting Minutes, Jun 20, 1996

**POLICY LETTERS.** Two AQ policy letters have been signed within the last week. They are DCMC Policy Memo No. 96-12, Guidance for the DCMC Utilization of the Internet and Worldwide Webb, and DCMC Policy Memo No. 96-13, Control of Official Correspondence (POLICY). These letters will be available on the DCMC Home Page the week of Jun 24.

**AIA/NSIA CROSSTALK.**

o The Aerospace Industries Association (AIA)/National Security Industrial Association (NSIA) Crosstalk convened at 0900, Friday, June 14, 1996. Topics discussed were Single Process Initiative, Measures of Acquisition Reform, Performance Based Payments/Commercial Item Financing, Executive Compensation, One Book Updates, and Electronic Data Interchange for Progress Payments. The meeting opened with an announcement that NSIA and the American Defense Preparedness Association (ADPA) will merge. The new organization will represent more than 900 defense companies.

o Minutes of the Crosstalk will be disseminated shortly. There are two action items: (1) Industry representatives did not believe visitors to contractor facilities was a good metric. DCMC will work with AIA and ADPA to develop alternatives to the current metric; and (2) A representative of Sikorsky asserts that progress payment requests would be expedited if the ACO did not have to sign off on them. Gen Drewes is willing to establish a pilot with Sikorsky. AQOE will work the details on creating a progress payment test with Sikorsky and the Defense Finance & Accounting Service (DFAS).

**JOINT SENIOR CAS EXECUTIVE MTG.** Senior contracting officials of the Army, Navy, Air Force, Defense Contract Audit Agency (DCAA), DFAS, NASA, DLA, and DCMC met on Jun 17 to discuss issues of mutual interest and brief their colleagues on new initiatives. Highlights included a panel discussion of the "Single Process Initiative" and a DFAS presentation concerning payment procedures. General Drewes commented that parametrics will be a big part of DCMC's future.

**DCMC HOME PAGE.**

o Just a reminder that DCMC personnel should be checking the DCMC Home Page daily.

o Broadcast letters, i.e., letters to all Districts and/or CAOs, are

to be (1) put on a disc in Word for Windows format (MS Word is preferable) and handcarried to Mr. Vic Szabo, AQAC, to be loaded on the web; and (2) mailed to the intended addressees. Exception is if the correspondence is informational only, there is no need to mail it.

- o All personnel should be aware that classified and For Official Use Only correspondence, or any correspondence that directly identifies specific contracts/contractors/proprietary information, is NOT to be placed on the web. Team Chiefs will now annotate on their coordination sheet whether or not the document is to be placed on the web.

TIME MANAGEMENT. It is imperative that all personnel understand the criticality of time allocations given to them when they are briefing senior level personnel. Senior personnel take agendas very seriously and will be adhering to them. Be sure to plan your presentation so that you may finish your briefing and still have time for discussion/questions.

ACTION OFFICER GUIDANCE. LTC Marchman, AQO Executive Assistant, is putting together an "Action Officer Guide" that institutionalizes many of our in-house, as well as AQ, requirements for day-to-day operations. This guide will incorporate such things as fact sheet template, voice mail instructions, etc. Be looking for your guide soon.

#### SPI ACTIVITY.

- o Two more block change mods were signed:

- oo Eaton Corporations, AIL Systems in Deer Park, NY, signed a block change mod on May 29, 1996. This mod provides for the contractor to use an ISO 9000 based quality system in lieu of MIL-STD 9858A.

- oo General Electric Aircraft Engines, Cincinnati, OH, signed a block change mod on June 17, 1996. This mod provides for the contractor to use MIL-STD 498 in lieu of MIL-STD 2167A for software development.

- o The satellite broadcast on SPI was on 20 Jun. Videos of the broadcast are being made and will be made available. More info to follow.

- o SPI "On the Road"

- oo Mike Dudley was in Denver, CO, all week attending a Lockheed Martin meeting.

oo Jim Childers attended meetings at Northrop Grumman in NY and FL 17-19 Jun.

oo Charlie Cheatham was assisting at DCMC Phoenix (Allied Signal) 19-22 Jun.

oo Dave Robertson and Jim Bauer were part of a SWAT team visit to DCMC General Electric Aircraft Engines, Cincinnati, OH, 20-21 Jun.

#### PAYMENT, CLOSEOUT & PROPERTY TEAM (AQOE).

o Tim Frank has been accepted for the Mid-Level Executive Leadership Development Program.

o Janice Hawk has been nominated by DLA for the Senior Executive Leadership Development Program.

o FAR Part 45 Re-write public hearings are this week. Janice Hawk and Nelson Cahill are involved with those. We are working a problem with contractor payments at GE Evandale--DFAS is reluctant to pay GE without a Govt acceptance signature on shipping/certificate of conformance documents. The contracts, which are written IAW new commercial item financing provisions, do not provide for formal Govt acceptance of product. This problem will be addressed at the next Dr. Hamre, DoD Comptroller, breakfast meeting, 26 June 96.

o Dr. Oscar from the Army Service Acquisition Executive (SAE) organization has suggested we publish a "top 50 list of things that shouldn't be done with Government Furnished Property (GFP)" so the Services can be more aware of problems associated with the use and misuse of GFP. Nelson Cahill and Janice Hawk have planned a comprehensive review of GFP (a more indepth follow-on to the three reviews already performed at Lockheed-Martin Marietta, Boeing Seattle, and Mc Donnell Douglas St Louis) and this idea may be a logical fallout from those reviews.

#### WORKFORCE STRATEGY TEAM (AQOJ).

o Mary Wilson participated in the GSA pilot course on Commercial Items Acquisitions last week. The two day course addressed both contract development and execution and administration.

The student reference for the course was developed by Lou Gaudio. The student reference was well done and useable as a desk reference. If you'd like to look at it, you can go to the world wide web address: "<http://www.gsa.gov/staff/v/training.htm>". This is the FAI home page and the latest version of the student reference is there. If you have questions, you can contact Lou at "[lgaudio@lmi.org](mailto:lgaudio@lmi.org)".

## PRODUCT & MANUFACTURING ASSURANCE TEAM (AQOG).

- o John Childers attended a DoD Product Quality Deficiency Report (PQDR) Committee Meeting on 18 Jun. Some of the topics discussed were Service PQDR initiatives, the new Deficiency Reporting System (DRS) status and the proposed new Deficiency Reporting Codes. The committee also reviewed the new Draft DLAD 4155.24 , Product Quality Deficiency Report Program. New committee procedures were taken up and it was decided that DCMC would be a full member of the group. The next meeting of the committee is scheduled for August 1996.

## GENERAL COUNSEL (GC).

- o Visit June 21, 1996 by the Commander, U.S. Army Criminal Investigation Command, for briefings by GC and Mr. Thurber.
- o Gould Appeal at Armed Services Board of Contract Appeals (ASBCA) - Hearing is in progress. Issue is government claim for proceeds from an overfunded pension plan.

## OVERHEAD CENTER (AQOK).

- o GAO Visit. On June 18, 1996, Mr. Robert Copeland and Mr. David Bernet, General Accounting Office, visited AQOK to gather information on should cost reviews. The GAO is tasked to perform a review on how competition and productivity improvements have impacted Department of Defense contracts. The GAO was interested in how DCMC conducts a should cost. The GAO wanted to apply should cost techniques to their review. AQOK discussed procedures for program and specific should cost reviews and provided the GAO representatives with a Should Cost Guide.

- o Board of Review. On June 19, a National Board of Review was held on the ACO pre-negotiation position for Westinghouse's FY 1990 final overhead rates.

## FLIGHT OPNS/SPECIALIZED SAFETY/ENVIRONMENTAL TEAM (AQOI).

- o On 19 Jun @ 1440 CDT an F-18C leased by McDonnell Douglas and flown by a contractor pilot impacted the ground near St. Louis. The aircraft was destroyed and the single aircrew member did not survive. Aircraft was insured under the lease agreement by the contractor.

- o Lt Col Mike Falvey, replacement for LtCol Mark Benda, is now on station.
- o Col (S) McNulty, replacement for Col Slaton, is to report in next

week. Last day in DCMC for both Col Slaton and LtCol Benda is 5 July.  
Farewell events are set for 3 Jul.

#### CONTRACTOR CAPABILITY & PROPOSAL ANALYSIS TEAM (AQOD).

- o Mr. Gary Thurber has replaced Mr. Bob Scott as Executive Chairman of the Parametric Cost Estimating Steering Committee.

- o An IPT Pricing brochure has been published and copies sent to our major customers. Copies are presently being distributed to the CAOs by the District IPT Pricing focal points (Don Whiting-DCMDW, Al Rutledge-DCMDE).

- o For several weeks, lessons learned highlights have been collected from all of our CAOs. Books containing the best of these are being distributed to field people who are involved in acquisition strategy planning meetings and to all HQ Team Chiefs. The lessons learned highlights will also be placed on the worldwide web.

- o This week--Mike Williams presented a briefing at the Industrial Analysis Support (IAS) management workshop in San Diego; Steve Swart also attended the meeting. Mike also briefed IPT Pricing at McDonnell Douglas Long Beach and Lockheed Martin Sunnyvale. Dave Ricci is making a similar presentation at the Executive Contracting Course (CON 301) offering.

APPROVED:

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